

## **WHAT HAPPENED TO MY UNIT VALUES?**

If you recently called the Voice Response Unit you may have been surprised at the values quoted on the system. They have changed. We now have a combination of unit values and share values.

When the Savings Program was first transferred to State Street Bank and Trust, the method of accounting used to present the fund information to the participant was "unit" accounting. A participant's interest was expressed in terms of units of participation. The number of units of participation multiplied by the market value of each unit (unit value) equals the market value of the participant's interest. The unit value was an arbitrary number established by the accounting system. The change in unit value included investment income, realized and unrealized gains and investment management and operating expenses.

As a result of the transfer to a multiple-employer plan, one of the accompanying changes is to convert to a different system of accounting called "share" accounting. Share accounting converts the participants units of participation to shares of the publicly traded security. The number of shares multiplied by the "share value" is equal to the participant's market value. Investment earnings and expenses will be reflected as additions or deletions in the number of shares owned and realized and unrealized gains and losses will be reflected in the market value of the shares. The advantage of this method is that the participant will be able to follow the share values as they are presented in the financial journals and on the Internet. Keep in mind that the actual participant earnings is a function of the timing of investments and withdrawals and that net participant earnings are a function of the expenses deducted from the participant's account.

The conversion to units took place on April 27, 2000. Participants calling in for their unit values will notice a significant change in values for the:

- Intermediate Term Bond Fund
- Long Term Bond Fund
- American Balanced Fund
- Investment Company of America Fund
- Windsor Fund
- Growth Fund of America
- Small Cap Growth Fund
- New Perspectives Fund
- International Growth Fund

The following funds retained the unit value accounting:

- Stable Value Fund
- Indexed Equity Fund
- Lockheed Martin Stock Fund

We are presenting the change in unit values through April 27, 2000 in our standard unit value tables. Beginning next month, the tables will be converted to share accounting.

For our participants maintaining their personal financial software records, the following is a conversion table from units to shares as of the close of business on April 27, 2000.

<b>Fund</b>	<b>Fund Symbol</b>	<b>Unit Value 4/27</b>	<b>Share Value 4/27</b>
<b>Intermediate Bond Fund</b>	STFIX	\$ 24.623114	\$ 17.611868
<b>Long Term Bond Fund</b>	PGOVX	\$ 12.804702	\$ 9.728738
<b>American Balanced Fund</b>	ABALX	\$ 21.881527	\$ 14.400000
<b>Investment Company of America</b>	AIVSX	\$ 48.506895	\$ 32.710000
<b>Windsor Fund</b>	VWNDX	\$ 25.434675	\$ 15.340000
<b>Growth Fund of America</b>	AGTHX	\$ 94.827347	\$ 32.440000
<b>New Perspectives Fund</b>	ANWPX	\$ 40.670120	\$ 30.360000
<b>Small Cap Growth Fund</b>	MGSEX	\$ 63.184635	\$ 95.390000
<b>International Growth Fund</b>	AEPGX	\$ 65.567956	\$ 41.280000

State Street Bank will be modifying the statement format as of the third quarter to reflect the changes.